

# HOUSE BILL No. 2078

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-20.9-2.

**Synopsis:** Homestead credits. Increases the percentage of the homestead credit to 15% beginning in 2002. (Under current law, the percentage of the homestead credit is 10% through 2001 and 4% in 2002 and thereafter.)

**Effective:** July 1, 1999.

**Ayres**

January 27, 1999, read first time and referred to Committee on Ways and Means.



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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

## HOUSE BILL No. 2078

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-1.1-20.9-2 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) Except as  
3 otherwise provided in section 5 of this chapter, an individual who on  
4 March 1 of a particular year either owns or is buying a homestead  
5 under a contract that provides the individual is to pay the property taxes  
6 on the homestead is entitled each calendar year to a credit against the  
7 property taxes which the individual pays on the individual's homestead.  
8 However, only one (1) individual may receive a credit under this  
9 chapter for a particular homestead in a particular year.  
10 (b) The amount of the credit to which the individual is entitled  
11 equals the product of:  
12 (1) the percentage prescribed in subsection (d); multiplied by  
13 (2) the amount of the individual's property tax liability, as that  
14 term is defined in IC 6-1.1-21-5, which is attributable to the  
15 homestead during the particular calendar year.  
16 (c) For purposes of determining that part of an individual's property  
17 tax liability that is attributable to the individual's homestead, all

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deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property.

(d) The percentage of the credit referred to in subsection (b)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2001	10%
2002 and thereafter	<del>4%</del> 15%

However, the property tax replacement fund board established under IC 6-1.1-21-10, in its sole discretion, may increase the percentage of the credit provided in the schedule for any year, if the board feels that the property tax replacement fund contains enough money for the resulting increased distribution. If the board increases the percentage of the credit provided in the schedule for any year, the percentage of the credit for the immediately following year is the percentage provided in the schedule for that particular year, unless as provided in this subsection the board in its discretion increases the percentage of the credit provided in the schedule for that particular year. However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount designated in the ordinance.

(e) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(f) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

- (1) an individual uses the residence as the individual's principal place of residence;
- (2) the residence is located in Indiana;
- (3) the individual has a beneficial interest in the taxpayer;
- (4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence;



1           and  
2           (5) the residence consists of a single-family dwelling and the real  
3           estate, not exceeding one (1) acre, that immediately surrounds  
4           that dwelling.

5           SECTION 2. [EFFECTIVE JULY 1, 1999] **This act applies to**  
6           **property taxes first due and payable after December 31, 2001.**

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